WE CLAIM:

1. A method for operating a cash-equivalent card-based purchasing system comprising the steps of:

    a. storing in a storage device associated with an information processing computer a plurality of records, each comprising a unique cash-equivalent card number linked to a value;

    b. providing to a user a cash-equivalent card, the cash-equivalent card having encoded thereon one of the cash-equivalent card numbers stored in the storage device, the cash-equivalent card provided in exchange for consideration equivalent to at least the value linked to the cash-equivalent card number encoded thereon, the cash-equivalent card comprising no information regarding the identity of the user;

    c. activating the subsequent use of the cash-equivalent card provided to the user; and

    d. executing with a merchant a purchase transaction for a purchase item having a corresponding purchase amount by

        the user presenting the cash-equivalent card to the merchant,

        the merchant, utilizing a purchase authorization system associated with a universally accepted credit-card, performing a purchase authorization step by requesting authorization from the information processing computer that the purchase amount is not greater than the value stored in the storage device, and

        the information processing computer reducing the value stored in the storage device by the purchase amount if the authorization is

successful;

wherein the storage device contains no information regarding the identity of the user to whom the cash-equivalent card has been provided.

2. The method of claim 1 wherein the step of activating comprises the step of programming activation data in a record in the storage device that is associated with the cash-equivalent card provided to the user.

3. The method of claim 1 wherein the step of activating comprises the step of altering a characteristic of data encoded on the cash-equivalent card.

4. The method of claim 1 wherein the step of activating occurs at substantially the same time that the cash-equivalent card is provided to the user in exchange for said consideration.

5. The method of claim 1 wherein the step of activating occurs during a card distribution phase substantially prior to the time that the cash-equivalent card is provided to the user in exchange for said consideration.

6. The method of claim 1 wherein the step of activating comprises the steps of:

i. storing an activation string in a record in the storage device that is associated with the cash-equivalent card provided to the user;

ii. providing the activation string to the user;

iii. activating the subsequent use of the cash-equivalent card only after the activation

string has been subsequently communicated to
the information processing computer.

7. The method of claim 6 wherein the activation string is
subsequently communicated with the information processing
computer via a telephone-based data entry system.

8. The method of claim 6 wherein the activation string is
subsequently communicated with the information processing
computer via a computer-based data entry system.

9. The method of claim 8 wherein the computer-based data
entry system comprises computers interconnected over the
Internet.

10. The method of claim 1 wherein a value stored in
the storage device may vary in accordance with a
predetermined function.

11. The method of claim 10 wherein the predetermined
function is an increase of the value as a function of
time.

12. The method of claim 10 wherein the predetermined
function is a decrease of the value as a function of
time.

13. The method of claim 10 wherein the predetermined
function is an increase of the value in a random manner.

14. The method of claim 10 wherein the predetermined
function is related to the frequency that the cash-
equivalent card is used for making a purchase.

15. The method of claim 10 wherein the predetermined function is related to the number of purchase made within a predetermined period of time.

16. The method of claim 10 wherein the predetermined function is related to the number of purchase made within a randomly determined period of time.

17. The method of claim 1 wherein the cash-equivalent card number is encoded in a magnetic stripe on the card.

18. The method of claim 1 wherein the cash-equivalent card number is encoded in a bar code symbol printed on the card.

19. The method of claim 1 wherein the cash-equivalent card number is encoded in an RF-ID transponder associated with the card.

20. The method of claim 1 wherein the value is denominated in a base currency type and the purchase amount is denominated in a purchase currency type, and if the purchase currency type is different from the base currency type, then the step of executing a purchase transaction comprises the additional step of converting the purchase amount to a converted purchase amount denominated in the base currency type.

21. The method of claim 1 wherein the value stored in the storage device is also reduced by a transaction fee related to the purchase transaction.

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22.   The method of claim 1 wherein each cash-equivalent card has associated in the storage device a record of previously executed purchase transactions.

23.   The method of claim 22 wherein each record of previously executed purchase transactions comprises identification of types of goods previously purchased with the cash-equivalent card.

24.   The method of claim 22 wherein each record of previously executed purchase transactions comprises identification of the merchant with whom the purchase transactions have been executed.

25.   The method of claim 1 wherein each cash-equivalent card has associated in the storage device an allowable purchase item type record comprising a listing of allowable purchase item types, and wherein the purchase authorization step further comprises the steps of

transmitting to the information processing computer
    an identification of the purchase item;
determining if the purchase item is listed as an
    allowable purchase item type; and
disallowing the transaction if the purchase item is
    not listed as an allowable purchase item type.

26.   The method of claim 1 wherein each cash-equivalent card has associated in the storage device a disallowable purchase item type record comprising a listing of disallowable purchase item types, and wherein the purchase authorization step further comprises the steps of

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transmitting to the information processing computer
an identification of the purchase item;
determining if the purchase item is listed as a
disallowable purchase item type; and
allowing the transaction if the purchase item is
not listed as a disallowable purchase item
type.

27. The method of claim 25 wherein each allowable purchase
item type record further comprises a budget amount
associated with each allowable purchase item type; and
wherein the purchase authorization step further comprises
the steps of:

allowing the purchase transaction only if the purchase
amount is not greater than the budget amount associated with
the purchase item;

reducing the budget amount associated with the purchase
item by the purchase amount if the transaction is allowed.

28. The method of claim 27 wherein the budget amount
associated with each allowable purchase item type is
controllable by an authorized user, the authorized user
being provided with access to the budget amounts via a user
computer in selective communication with the information
processing computer.

29.   A cash-equivalent card-based purchasing system comprising:

    a. an information processing computer comprising a storage device having stored thereon a plurality of records, each comprising a unique cash-equivalent card number linked to a value;

    b. a plurality of cash-equivalent cards, each having encoded thereon one of the cash-equivalent card numbers stored in the storage device, each comprising no information regarding the identity of the user;

    c. means for activating the subsequent use of the cash-equivalent card provided to a user; and

    d. means for executing with a merchant a purchase transaction for a purchase item having a corresponding purchase amount, comprising:

an authorization system associated with a universally accepted credit-card comprising means for requesting authorization from the information processing computer that the purchase amount is not greater than the value stored in the storage device, and

wherein the information processing computer further comprises means for reducing the value stored in the storage device by the purchase amount if the authorization is successful; and

wherein the storage device contains no information regarding the identity of the user to whom the cash-equivalent card has been provided.

30.   The system of claim 29 wherein the means for activating comprises activation data programmed in a record in the storage device that is associated with the

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